

22 July 2013

Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: Support: Proposed AB 118 Air Quality Improvement Program Funding Plan for Fiscal Year 2013-14**

Dear Chairman Nichols:

Thank you for the opportunity to provide input on the proposed AB 118 Air Quality Improvement Program Funding Plan for Fiscal Year 2013-14. We strongly support the mission of the California Air Resources Board (ARB) and are proud to be a part of ARB's efforts to clean the air for all Californians, reduce the public's exposure to toxic diesel particulate pollution, as well as help substantially reduce greenhouse gas emissions.

Proterra Inc. is the leading U.S. manufacturer of zero-emission commercial transit solutions and makes the world's first all-electric fast-charge public transit bus, the EcoRide™. Our buses are in service in both northern and southern California and throughout the country. In May 2013, Proterra's EcoRide™ transit bus became eligible for HVIP funding. Operators can drive approximately 30+ miles between charges, charge along their routes in under 10 minutes by utilizing automated roof top charging and then continue on their routes, charging as needed. The EcoRide™ achieves 22+ miles per gallon diesel equivalent performance, 500%+ better than diesel, hybrid and CNG buses. In addition, this advanced technology avoids mobile smog-causing emissions from diesel and CNG buses, and it reduces carbon emissions by 70% or more compared to CNG or diesel buses.

Proterra supports the proposed \$5 million allocation for the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project (HVIP), and we look forward to working with you and your staff to help secure sufficient funds to meet the 2013-14 demand. As you know, the program is currently oversubscribed and therefore there is a critical need to fund the program at higher levels to help accelerate deployment of zero emission trucks and buses.

**HVIP is a Valuable and Successful Program**

HVIP is the primary state tool driving early adoption of zero-emission technologies by reducing the upfront purchase cost at the point of sale for trucks and buses. This model works and is seeding the early market in California. To date, roughly 1700 hybrid and electric truck and bus purchases

have benefited from HVIP vouchers to offset upfront purchase costs. Access to HVIP funds also enable public agencies and transit districts in low income communities to purchase fast-charge, zero emission buses and serve urban routes close to schools, senior centers, hospitals and homes. The program has been so successful that it has won an award and is being replicated in New York and Chicago.

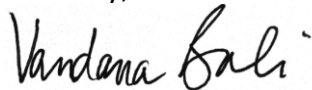
**HVIP Funding Shortfalls and Program Suspensions are Slowing Market Growth**

HVIP has supported the zero emission bus and truck market for the past several years but the program is currently out of funds and suspended until FY 2013-14 funds are made available. This lack of consistency sends mixed market signals and negatively impact transit bus and fleet operator budgets and procurement plans for clean vehicles. In order to ensure continued progress in this sector, HVIP funding needs to be re-established as soon as possible. In addition, we respectfully request staff to identify additional funding sources to ensure HVIP can be maintained to meet demand until the transit bus and truck markets reach economies of scale.

The \$5 million in proposed funding for HVIP is essential, but not sufficient, for FY 2013-14. The Funding Plan estimates demand for the year at \$12-\$25 million which is \$7 million less than current needs. We recognize that resources are limited and that the Funding Plan was developed assuming just \$25 million in revenues for the AQIP program. We also understand there are many competing priorities for these funds and we realize that the light duty Clean Vehicle Rebate Project (CVRP) is also oversubscribed. We believe staff has achieved a good balance in this plan, investing \$5 million for HVIP and \$10 million for CVRP, with a reserve of \$5 million.

Our goal in providing these comments is to underscore the importance of the HVIP program and the benefits it provides for everyone. We are committed to working with you to ensure that HVIP continues to support the growth of a strong market for zero-emission buses throughout California.

Sincerely,



Vandana Bali  
Director of Regional Sales  
Proterra Inc.  
470 Bryant Street  
San Francisco, CA 94110